

October 8, 1999

Dear Prospective Offeror:

INVITATION FOR BID FOR ROYALTY GAS

The Minerals Management Service (MMS) of the U.S. Department of the Interior is soliciting bids for the auction of natural gas taken in kind as Federal royalty (Royalty Gas) from Federal offshore leases in the Gulf of Mexico for natural gas (Delivery Gas) to be delivered to an onshore location. The period covered by the Royalty Gas auction will be for four months, commencing with initial delivery on December 1, 1999.

The Contractor will be required to take the full amount of Royalty Gas for which bids have been accepted over the contracted delivery period at the Facility Measurement Point(s) specified in Exhibit A of this Invitation for Bid (IFB). The Royalty Gas provided to the Contractor will be in marketable condition and will be unprocessed. The Contractor will be granted rights to any liquids in the unprocessed gas stream. The Delivery Gas provided to the Government or its designated agent is required to meet pipeline specifications at the delivery point(s).

Under this solicitation, the MMS will consider offers for the auction of up to 260 million cubic feet of natural gas per day. Only prequalified companies may bid in this auction. Please refer to Exhibit B of this solicitation to learn how to prequalify. Please consult the MMS Home Page (www.mms.gov) for any amendments to this IFB before mailing your offer. The closing date for receipt of offers is October 22, 1999, at 1:00 p.m. Eastern Time and four (4) copies should be provided. Offers are to be addressed to:

Attention: Michael Del-Colle, Contracting Officer
U.S. Department of the Interior
Minerals Management Service
381 Elden Street, MS 2500
Herndon, Virginia 22070-4817

This solicitation does not commit MMS to award contracts for auction of Royalty Gas. Offer preparation costs as a result of this solicitation will not be borne by MMS.

Thank you for your interest. Should you have questions regarding this solicitation, please refer to the contact information in the solicitation.

Sincerely,

Michael Del-Colle
Contracting Officer

INVITATION FOR BID (IFB)

INVITATION FOR BID

FOR

ROYALTY GAS

PAPERWORK REDUCTION ACT STATEMENT: The Paperwork Reduction Act of 1995 requires us to inform you that the Minerals Management Service (MMS) collects this information to document fulfillment of royalty obligations and sales of minerals from leases on Federal lands. We will use this information to evaluate bids for sale of royalty production. Proprietary information is protected according to standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U. S. C. 1733), the Freedom of Information Act (5 U.S., 552 (b)(4), and the Departmental Regulations (43 CFR 2). Responses are required to obtain a benefit. Comments on the accuracy of this burden or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N. W., Washington DC 20240.

OMB Control Number 1010-0129

Expiration date: November 30, 1999

TABLE OF CONTENTS

SECTION A:	Solicitation.....	4-7
SECTION B:	Offers.....	8-13
SECTION C:	Custody and Title Transfer.....	14
SECTION D:	Payment.....	14
SECTION E:	Force Majeure.....	15
SECTION F:	Delivery, Nominations, Scheduling, and Balancing.....	15-18
SECTION G:	Contract Provisions.....	18-23
SECTION H:	Certifications.....	23-29
EXHIBIT A:	Lease/Bid Summary Exhibit	8 pages
EXHIBIT B:	Prequalification Solicitation	3 pages
EXHIBIT C:	Operator Letter	6 pages
EXHIBIT D:	Summary of Receipts and Delivery Volumes	1 page

SECTION A SOLICITATION

A.1 Introduction

The Minerals Management Service (MMS) of the U.S. Department of the Interior is soliciting written offers (bids) for the auction of Royalty Gas produced from Federal offshore leases in the Gulf of Mexico for Delivery Gas to be delivered to selected nearby onshore locations. The closing date for receipt of offers is October 22, 1999, at 1:00 p.m. Eastern Time.

The Royalty Gas available to the Contractor will be the Government's share of production from the Gulf of Mexico Federal leases identified in Exhibit A.

Offers will be accepted on a competitive bid basis. The Delivery Gas shall meet the specifications in Section F, and will be delivered to the Government at one of four onshore delivery points, where MMS will take title to the Delivery Gas.

Initial deliveries of Royalty Gas to the Contractor will commence December 1, 1999. The Royalty Gas delivery period will be for a term of four months ending March 31, 2000.

A.2 Description

This solicitation is an invitation to Offerors to take title to the royalty share of natural gas production from selected Federal leases in the Gulf of Mexico in consideration for natural gas delivered to the Government's accounts at one or more of the specified delivery points. The Contractor will take delivery of and title to the Royalty Gas at the applicable Facility Measurement Point (FMP) meter, identified in Exhibit A.

The Royalty Gas is being offered via three bid options: 1) individual bids: bids for Royalty Gas from selected individual FMPs; 2) bidding by pipeline package: bids for Royalty Gas from all selected FMPs on a pipeline system; and 3) package bidding on Royalty Gas from all FMPs on each of the five pipeline systems identified in Exhibit A. The offers will be submitted as a ratio between the volume of Delivery Gas provided to MMS at the delivery point and the volume of Royalty Gas measured at the individual FMP or, for package bids, the volume of Royalty Gas accumulated by each or all involved pipelines.

The pipeline systems to which the Royalty Gas is connected are: 1) HIOS/UTOS Pipeline(s); 2) Stingray Pipeline; 3) Transco North High Island System; 4) Tennessee 800 Line; and 5) Pelican Gas Gathering System.

The specified delivery points for Delivery Gas are:

Transco Gas Pipeline: Station 65

UTOS/HIOS Pipeline Interconnect with NGPL: Meter #6001

Johnson Bayou: ANR Meter #40464

Stingray Pipeline Interconnect with NGPL: Meter #5433

A.3 Definitions

As used throughout this solicitation, the following terms shall have the meaning set forth below:

- a. “BTU” means one (1) British Thermal Unit, and is defined as the amount of heat required to raise the temperature of one pound of water from fifty-nine (59) degrees Fahrenheit to sixty (60) degrees Fahrenheit at a constant pressure of fourteen and seventy-three hundredths pounds per square inch absolute (14.73 psia). Total BTUs shall be determined by multiplying the total volume of gas delivered times the gas heating value expressed in BTUs per cubic foot of gas as adjusted on a dry basis.
- b. “Contracting Officer (CO)” is a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes an authorized representative acting within the limits of his or her authority, as delegated by the CO, except as otherwise provided in this contract.
- c. “Contracting Officer’s Technical Representative (COTR)” is that person named to administer day-to-day technical contracting matters.
- d. “Cubic feet” is that amount of gas which will occupy a volume of one (1) cubic foot of space when held at a base temperature of sixty (60) degrees Fahrenheit and at a pressure of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute (psia).
- e. “Day” means that period of time consisting of twenty-four (24) consecutive hours beginning at 9:00 a.m.
- f. "Delivery Gas" means that gas, which is being provided to the MMS in consideration for Royalty Gas received from the MMS.
- g. “Delivery Point” means the point at which Delivery Gas is made available to the MMS.
- h. "Facility Measurement Point (FMP)" means the point of royalty determination approved by MMS. It is the point at which the Royalty Gas is made available and title is transferred to the Contractor.
- i. "Force Majeure" means a failure to perform under the contract due to factors beyond the

control of either party, as further defined in Section E.

- j. "Government", unless otherwise indicated in the text, means the United States.
- k. "Gross Heating Value" means the heat in BTUs produced by the complete combustion of a cubic foot of gas under standard conditions, at constant pressure, with air of the same temperature and pressure as the gas where the products of combustion are cooled to the initial temperature of the gas and air and where water formed by the combustion is condensed to a liquid state. Standard conditions for measuring the gas shall be sixty (60) degrees Fahrenheit and fourteen and seventy-three hundredths (14.73) psia. The resultant BTU content determined above shall be corrected to reflect actual water content of the gas at the Point of Delivery.
- l. "MCF" means one thousand (1000) cubic feet of gas.
- m. "MMBTU" means one million (1,000,000) British Thermal Units or BTUs.
- n. "MMS" means U.S. Department of Interior, Minerals Management Service.
- o. "Natural gas" means a mixture of hydrocarbons, primarily consisting of methane, that existed in the gaseous phase in natural underground reservoirs and remains gaseous at atmospheric pressure after passing through surface separating facilities and is marketed or used as such.
- p. "Offeror" or "Contractor" herein means individuals, corporations, partnerships, or Government entities making written offers under this IFB.
- q. "Operator" means the entity engaged in the business of drilling for, producing, or processing gas or other minerals.
- r. "Royalty Gas" means that portion of natural gas produced from or attributable to the properties listed in Exhibit A of this document to which the Government is entitled as the royalty percentage of the production.

A.4 Receipt of Delivery Gas

The Contractor will deliver a constant daily volume of Delivery Gas to the Government at the delivery point(s). The specific volume of Delivery Gas to be delivered during any month of the contract term will be based on the lease Operators' first of month communication to the Contractor of Royalty Gas availability at the FMP multiplied by the accepted bid delivery ratio(s) applicable to that Royalty Gas. The daily delivery volume will change each month based on the Operators' communications on Royalty Gas availability.

On a given day, if the Contractor fails to deliver at least 95 percent of the cumulative total of firm delivery volumes associated with all its contracted Royalty Gas, the Contractor will pay MMS in cash the value of the undelivered gas volume at the delivery point within 10 days after the end of the month. This value will be determined by applying the daily price index for the applicable delivery point, as quoted in Gas Daily for the day underdelivered, to the entire underdelivered amount.

To the extent that significant changes occur in production levels of Royalty Gas, the Contractor may contact MMS to discuss intra-month changes to the constant monthly delivery volumes.

A. 5 Contractor Liability for Offer Value of Royalty Gas

Notwithstanding contract termination pursuant to G.3, the Contractor shall be liable for the offer value of one hundred percent (100%) of the Royalty Gas made available to it by Lessees, including gas made available to but not taken by the Contractor. Administrative costs and other expenses the MMS may incur as a result of obtaining another buyer for the gas for which the Contractor contracted but did not take would also be borne by the Contractor. The Contractor shall pay all amounts due within 7 calendar days after receipt of an invoice. Any disagreement with respect to the amount of such payment due the MMS will be deemed a dispute and will be decided by the Contracting Officer.

A.6 Imbalance Reconciliations

Monthly imbalances will occur due to differences between the firm constant daily volume of Delivery Gas made available to the Government by the Contractor and the actual volumes of Royalty Gas taken by the Contractor multiplied by the delivery ratio(s).

These imbalances will be settled in cash by applying the applicable first of month index as reported in Inside FERC for the month in which the imbalance occurred to the volumes not in balance. The applicable indices for each delivery point are:

Transco Station 65: Transco Station 65 Index Zone 3
UTOS/HIOS Pipeline Interconnect with NGPL: NGPL LA Index
Johnson Bayou ANR Meter #40464: ANR LA Index
Stingray Pipeline Interconnect with NGPL: NGPL LA Index

The Contractor is required to record these imbalances for each FMP. Within 5 days after monthly third party information becomes available to the Contractor on actual volumes of Royalty Gas measured at FMPs, the Contractor will fax the information to MMS or its designee. Based on this information, the overdelivered party will make or cause to make cash payment to the underdelivered party using the pricing methodology outlined above within 10 days.

SECTION B OFFERS

B.1 Offeror Qualifications

Offers will only be accepted from qualified Offerors. An Offeror is qualified if the firm's total revenue derived from the marketing of gas to non-affiliated entities, has not been less than the sum of \$40,000,000 (U.S. dollars) during each calendar year from 1994 through 1998 inclusively. If the Offeror is a joint venture or partnering arrangement, only one of the partners is required to qualify as described above, provided that each of the joint venture partners is jointly and severally liable with respect to all obligations in this contract. Certification to the qualification requirement will be the signed Offeror's Certification and Acceptance Signature Page found in Section B.8 of this IFB.

Offerors must be prequalified to submit bids. The prequalification process is described in Exhibit B.

B.2 Instructions to Offerors

B.2.a. The Royalty Gas offered is listed in Exhibit A. For each property, the table identifies:

- Lease Location (Area/Block)
- Lease Number or Agreement Number
- Lease/Agreement Operator
- FMP Number (MMS Assigned Number)
- Meter Number (Pipeline Assigned Number)
- FMP Location
- Btu Content
- Estimated Royalty Gas volume per day
- Major Pipeline System
- Any Lateral Pipelines

B.2.b. Volumes of Royalty Gas shown in Exhibit A are estimates based on the most current available data on average property production volumes multiplied by the lease royalty rate. Generally, the volumes reflect average daily production during May through July, 1999. The volumes shown in Exhibit A represent the Royalty Gas expected to be available and which must be taken by the Contractor each month. Production volumes, and therefore the actual volume of Royalty Gas available to the Contractor, may vary significantly through the term of this IFB.

B.2.c. The column in Exhibit A labeled "BID" is provided for Offerors to indicate their offers, specified as a delivery ratio of Delivery Gas to Royalty Gas. The bid/delivery ratio is the number

that will be multiplied by the quantity of Royalty Gas made available at the FMP to compute the quantity of Delivery Gas made available to the Government at the onshore delivery location.

By the submission of a bid, the Offeror agrees to be bound by the terms and conditions of this solicitation.

B.2.d. Individual Offering: Offerors may submit bids on Royalty Gas identified on Exhibit A for any number of FMPs. If Offerors do not desire to bid for Royalty Gas on specific FMP in Exhibit A, they should leave the offer column blank for that FMP. Each bid for individual FMPs will be considered on its own merits for comparison with other bids for that specific FMP alone and for that FMP as included in a package offer.

B.2.e. Package Bids By Pipeline. Offerors may submit bids for Royalty Gas from all of the FMPs connected to the same pipeline system. Offerors have the opportunity to make five pipeline package bids. Package bidding by pipeline means the bidder is providing a single delivery ratio that will apply to all Royalty Gas shown on Exhibit A as being connected to a single pipeline system.

B.2.f. Package Bid for All Available Gas. Offerors may submit bids for Royalty Gas from all of the FMPs connected to each of the pipeline systems included in Exhibit A. Package bidding for all available gas means the bidder is providing a single delivery ratio that will apply for all Royalty Gas shown on Exhibit A.

B.2.g. Offerors may telephone the MMS prior to the submission of a bid to clarify issues regarding this auction. Contact information is provided in Section H.4 below.

B.2.h. Proprietary and Confidential Data. If the Offeror submits any proprietary information, it must be marked as proprietary and an explanation must be provided for its proprietary nature. All applicable Department of Interior regulations governing proprietary data shall apply. The offeror's prices are considered confidential and will not be released by the Government.

B.2.i. Each Offeror shall complete and furnish Section H – Certifications, along with its offer.

B.2.j. Four copies of offers shall be provided. Offers and modifications submitted by mail or hand delivered shall be enclosed in a sealed envelope and addressed to:

ATTN:Mr. Michael Del-Colle, Contracting Officer
U.S. Department of the Interior
Minerals Management Service
381 Elden Street, MS 2500
Herndon, Virginia 22070-4817
703-787-1352

Place the name and address of the Offeror in the upper left corner and the following information in the lower left corner on the face of the envelope:

B.2.k. Amendments to the IFB. The Contracting Officer may issue an amendment to this IFB if information significantly affecting information and terms and conditions of this solicitation subsequently becomes available. Please check the MMS Home Page (www.mms.gov) for posting of any modification prior to your submission of an offer.

B.2.l. Acceptance Period . Bids will remain valid for 30 days after the bid opening date.

B.3 Preparation of Offer

Offerors must examine the complete IFB package, and must comply with all instructions. Failure do so may result in a non-responsive offer.

Offerors must ensure that offer packages are complete and that all required supplemental data are attached. Original signatures and fill-in information must be provided on the Offerors Certification and Acceptance Signature Page in Section B.8.

The Offeror must sign and affix its corporate seal to the Offerors Certification and Acceptance Signature Page in Section B.9. Any erasures or other changes must be initialed by the person signing the offer and offers signed by an agent must be accompanied by evidence of his or her authority. If a corporation has no corporate seal, the words "NO CORPORATE SEAL" must be hand-written in the space reserved for the seal, and the person signing the corporation certification must initial that statement.

B.4 Late Submissions, Modifications, and Withdrawals of Offers

Any offer received at the office designated in the solicitation after the exact time specified for receipt shall not be considered unless it is received before award is made and it:

(1) Was sent by registered or certified mail not later then the fifth (5th) calendar day before the day specified for receipt of offers (e.g., an offer submitted in response to a solicitation requiring receipt of offers by the tenth (10th) of the month shall have been mailed by the fifth (5th)); or

(2) Was sent by mail and it is determined by the contracting officer the late receipt was due solely to mishandling by the MMS after receipt at the MMS installation; or

(3) Was sent by U.S. Postal Service Express Mail Next Day Service-Post Office to Addressee, not later than 5:00 p.m. at the place of mailing two working days prior to the date specified for receipt of proposals. The term working days excludes weekends and U.S. Federal holidays; or

- (4) Is the only offer received.

Any modification of an offer, except a modification resulting from the Contracting Officer's request for "best and final" offer, is subject to the same conditions as in Subparagraphs B.2(a.)(1), (2), and (3) of this provision.

A modification resulting from the Contracting Officer's request for best and final offer received after the time and date specified in the request shall not be considered unless received before award and the late receipt is due solely to mishandling by the Government after receipt at the Government installation.

The only acceptable evidence to establish the date of mailing of a late offer or modification sent either by registered or certified mail is the U.S. or Canadian Postal Service postmark both on the envelope or wrapper and on the original receipt from the U.S. or Canadian Postal Service. Both postmarks shall show a legible date or the offer or modification shall be processed as if mailed late. Postmark means a printed, stamped, or otherwise placed impression (exclusive of a postage meter machine impression) that is readily identifiable without further action as having been supplied and affixed by employees of the U.S. or Canadian Postal Service on the date of mailing. Therefore, Offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

The only acceptable evidence to establish the time of receipt at the Government installation is the time/date stamp of that installation on the proposal wrapper or other documentary evidence of receipt maintained by the installation.

The only acceptable evidence to establish the date of mailing of a late offer, modification, or withdrawal sent by Express Mail Next Day Service - Post Office to Addressee is the date entered by the Post Office receiving clerk on the "Express Mail Next Day Service Post Office to Addressee" label and the postmark on both the envelope or wrapper and on the original receipt from the U.S. Postal Service. "Postmark" has the same meaning as defined in Paragraph (d) of this provision, excluding postmarks of the Canadian Postal Service. Therefore, Offerors should request the postal clerk to place a legible hand cancellation bull's eye postmark on both the receipt and the envelope or wrapper.

A late modification of an otherwise successful offer that makes its terms more favorable to the Government shall be considered at any time it is received and may be accepted.

Offers may be withdrawn by written notice, fax, or telegram received at any time before award.

Prior to award, an offer may be withdrawn in person by an Offeror or its authorized representative, if the identity of the person requesting withdrawal is established and the person signs a receipt for the offer.

B.5 Consideration of Offers

B.5.a. The MMS shall award contract(s) to those responsible Offeror(s) whose bids, conforming to the solicitation, would in MMS' judgement be most advantageous to the Federal Government.

B.5.b. MMS reserves the right to reject any or all offers, to waive any informalities and minor irregularities in an offer, and unless otherwise specified by the Offeror, to accept any one item or group of items in an offer, as may be in the best interest of the Government.

B.5.c. MMS will award a contract on the basis of initial offer(s) received, without discussions. Each initial offer should be submitted on the most favorable terms that the Offeror can submit.

B.5.d. The MMS has computed a minimum acceptable bid for gas offered at each FMP by computing ratios between the value of Delivery Gas and the value of Royalty Gas. Offers lower than the Government minimum acceptable bid will not be accepted absent other factors.

B.6 Evaluation Procedure for Award

B.6.a. Offers shall be evaluated based on the best value offered to MMS. Evaluation of the offers shall principally consider the amount and value of Delivery Gas in comparison to provided to the amount and value of Royalty Gas if it were paid in value rather than in kind. Administrative cost implications will also be considered.

B.6.b. Tie-Breaking Procedures. In the event of ties, the offeror will be given 24 hours after notification of the tie by MMS to resubmit an offer via Fax to the Contracting Officers. If no re-offer is submitted, the original offer will be considered the offer on the properties. In the event there are ties after a re-offer, drawing lots will break the tie.

B.7 Contract Award

B.7.a. The Contracting Officer is the sole judge as to whether the offers conform to this solicitation. The contract, if awarded, shall be awarded to the Offeror who, in the opinion of the Contracting Officer is the highest, most responsible, and responsive Offeror.

B.7.b. The MMS will generally evaluate and select properties to maximize direct revenues to the U.S. However, evaluation and award will retain the flexibility to consider administrative savings, even if such award may result in less direct revenues to the Governments; e.g., the cost of administering the contract exceed the revenue received from the sale.

B.7.c. The Government will award to the successful offeror by means of an award sheet Standard Form (SF) 26, signed by the Contracting Officer. This identifies the items, quantities, and Exchange Gas, which the Government is accepting. A contract will consist of the signed SF 26 award sheet, your offer and this Request for Offer. These documents shall constitute the entirety of the contract between the Contractor and the Government.

B. 8 OFFEROR'S CERTIFICATION AND ACCEPTANCE SIGNATURE PAGE

OFFEROR'S BUSINESS NAME:

ADDRESS:

CORPORATE OR PARTNERSHIP OFFICER:

TYPED NAME AND TITLE:

DATE:

CORPORATE SEAL:

Offers by corporations must be executed over the corporate seal.

Having examined the offer documents, including any amendments to this Invitation for Bids (IFB), if applicable, the receipt of which is hereby duly acknowledged, we, the undersigned, offer to purchase Royalty Gas in conformity with our offered bids

We undertake, if our offer is accepted, to purchase the Royalty Gas in accordance with the provisions in the IFB.

We agree to stand by our Offer for a period of 30 days from the date fixed for receipt under the Instructions to Offerors, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Our Offer, together with this signed Offeror's Certification and Acceptance Signature page and any notification of award, shall constitute a binding Contract between our company and MMS.

We certify that we are a qualified Offeror as described in this IFB and that the information, provided in the certifications include herein are accurate and complete.

The making of false statements to the Government is punishable by a fine of not more than \$10,000 and/or not more than five years imprisonment see 18 U.S.C. 1001.

Dated this _____ day of _____ 1999. .

Authorized Signature

Title

Submissions Required:

Section B.8 - Executed Offeror's Certification and Acceptance Signature Page

Exhibit A (Bids)

Section H - Completed Certifications

SECTION C CUSTODY AND TITLE TRANSFER

C.1 Custody Transfer and Measurement

All Royalty Gas delivered must be accepted by the Contractor from the awarded FMP volumes for the entire Royalty Gas delivery period, including Royalty Gas from any newly producing wells on these leases. The Contractor will take custody of the Royalty Gas at the FMP.

Custody transfer measurements will be in accordance with established GISB standards. The custody transfer measurements of the Delivery Gas to be delivered by the Contractor is the responsibility of the Contractor.

C.2 Title to Gas

C.2.a. Title and custody for the Royalty Gas to be delivered by the MMS to the Contractor will be transferred to the Contractor at the Royalty Gas FMP.

C.2.b. Title to the Delivery Gas will be transferred to the Government at the specified onshore delivery point(s).

C.2.c. The MMS shall have the right to reject any Delivery Gas which, when tendered for delivery, may be involved in litigation, or the title of which may be in dispute. Also, the MMS may require of the Contractor satisfactory evidence of the Contractor's perfect and unencumbered title or satisfactory indemnity bond. The Contractor warrants and guarantees that it has good title there to the Delivery Gas being provided to the Government.

SECTION D PAYMENT

D.1 Method of Payments

Payment for Royalty Gas shall be made by provision of Delivery Gas in accordance with the terms of the contract.

D.2 Monetary Settlements

Any cash payments made by the Contractor pursuant to Sections A.4 and A.6 of this solicitation must be made to MMS by electronic funds transfer (EFT). For specific EFT instructions, contact the Contracting Officer.

SECTION E FORCE MAJEURE

Force Majeure means, except for payment due hereunder, either party hereto shall be relieved from liability for failure to perform hereunder for the duration and to the extent such failure is occasioned by war, riots, insurrections, fire, explosions, sabotage, strikes, and other labor or industrial disturbances, acts of God or the elements, disruption or breakdown of production or transportation facilities, delays of pipeline carrier in receiving and delivering gas tendered, Royalty Gas not delivered by Operator of lease as scheduled, or by any other cause, whether similar or not, reasonably beyond the control of such party. Any such failures to perform shall be remedied with all reasonable dispatch.

SECTION F DELIVERY, NOMINATIONS, SCHEDULING, AND BALANCING

F.1 Scheduling of Royalty Gas Movements

F.1.a. The Contractor, at its expense, shall make all necessary arrangements to receive delivery of Royalty Gas at the FMP. The Contractor is not responsible for costs of transportation upstream of the FMP. Offerors should be aware that in certain cases, they might be responsible for transportation costs on lateral pipelines after the FMP that may not under the jurisdiction of the Federal Energy Regulatory Commission or any other regulatory body.

F.1.b. The Operator of the selected lease will deliver Royalty Gas to the Contractor at the same frequency as it is produced from the property. Unless otherwise notified, this will be assumed to be daily.

F.1.c. The Contractor agrees to take 100 percent of the Royalty Gas delivered to it at the FMP for the entire delivery period of this contract. The Contractor, through customary industry practice set forth by GISB and the Council of Petroleum Accountants Societies (COPAS) in nominating and scheduling transportation services, will attempt to minimize the occurrence of imbalances with the Operator of the lease. To facilitate timely and accurate delivery of Royalty Gas, the Contractor will communicate directly with the Operator to make arrangements for the delivery and transfer of Royalty Gas from these leases.

F.1.d. No later than 10 calendar days before the first day of each month, the Operator will notify the Contractor of the daily Royalty Gas volumes and qualities anticipated for the following month of production. Such communication will continue for each month of the Royalty Gas delivery period. The Contractor understands that any such estimate is not a warranty of actual deliveries to be made but is provided to facilitate planning of delivery of Royalty Gas.

F.1.e The Operator will use reasonable efforts, consistent with industry practice, to inform the Contractor regarding significant changes in gas production levels. The Operator will notify the Contractor in the event of any production shut-in.

F.1.f. Imbalances in the delivery of Royalty Gas to the Contractor will be monitored and jointly resolved by MMS and the Operator by adjustments in the volume of Royalty Gas delivered to the Contractor in subsequent months. These adjustments will be reflected in communications from the Operator to the Contractor regarding first of month availability of Royalty Gas.

F.1.g. The MMS will designate the Contractor to act on its behalf in carrying out the roles and responsibilities outlined for the “Lessor” in a letter that will be sent to all Operators of leases in this program. This letter is included as Exhibit C. Specifically, the Contractor will be responsible for performing the roles outlined for the Lessor in the following sections of the letter: 1) Royalty Gas Delivery; 2) Lessor Obligation to Take; 3) Communication; and 4) Lessor Point of Contact (Scheduling, Transportation, and Imbalance Issues).

F.2 Scheduling of Gas Deliveries to MMS

Delivery Gas will be made available to the MMS at the accepted onshore delivery point in the same frequency that Royalty Gas is delivered at the lease.

No later than 10 calendar days before the first day of each month, the Contractor will notify the MMS or its designated agent of the daily constant Delivery Gas volumes anticipated for the following month of production. This will continue for each month of the Royalty Gas Delivery Period. Unless Force Majeure provisions apply, this will be the daily delivered volume of Delivery Gas for the entire month.

F.3 Environmental Compliance

Failure of the Contractor or the Contractor's subcontractors to comply with all applicable rules and regulations concerning the transportation of gas will be considered a failure to comply with the terms of any contract containing these provisions, and may result in termination for default, unless, in accordance with Paragraph G.1., such failure was beyond the control and without the fault or negligence of the Contractor, its affiliates, its agents or subcontractors at any tier.

F.4 Delivery and Receipt Documentation of Royalty and Delivery Gas

On a monthly basis, the Contractor shall provide to the Contracting Officer or its designee in the format presented in Exhibit D, a summary by FMP of the quantity and quality of Royalty Gas received and Delivery Gas delivered. The Contractor shall provide the Contracting Officer the point of contact responsible for this information, and provide copies of all third party source documents upon which the report summary is based (e.g., pipeline statements), as requested by the Contracting Officer.

F.5 Quality of Delivered Delivery Gas

All Delivery Gas delivered by the Contractor to the MMS or its designated agent at the delivery point shall conform to the following specifications:

Water Vapor: The gas shall not have a water vapor content in excess of seven (7) pounds of water per one million cubic feet of gas.

Hydrogen Sulfide: Subject to the provisions of subsection h below, the gas shall not contain more than one quarter (1/4) grain of hydrogen sulfide per one hundred (100) cubic feet of gas as determined by quantitative tests.

Total sulfur: Subject to the provisions of subsection h below, the gas shall not contain more than ten (10) grains of sulfur per one hundred (100) cubic feet of gas as determined by quantitative tests.

Temperature: The gas shall not have a temperature less than forty (40) degrees Fahrenheit or more than one hundred twenty (120) degrees Fahrenheit.

Carbon Dioxide: Subject to the provisions of subsection h below, the gas shall not contain more than two percent (2%) by volume of carbon dioxide.

Oxygen: Subject to the provisions of subsection h below, the gas shall not contain more than one percent (1%) by volume of oxygen.

Nitrogen: Subject to the provisions of subsection h below, the gas shall not contain more than three percent (3%) by volume of nitrogen.

Nonhydrocarbons: Notwithstanding the foregoing provisions of this section, the gas shall not contain more than four percent (4%) by volume of total nonhydrocarbons. Nonhydrocarbons shall include, but not be limited to, hydrogen sulfide, sulfur, carbon dioxide, oxygen and nitrogen.

Objectionable Liquids and Solids and Dilution: The gas shall be free of objectionable liquids and solids and shall be commercially free from dust, gums, gum-forming constituents, and other liquids and solid matter which might become separated from the gas in the course of transportation through pipelines.

Gross Heating Value: The gas shall not have a gross heating value less than one thousand (1000) BTUs per cubic feet of gas.

Upon request by MMS or its designated agent, the Contractor shall provide periodic gas analyses to MMS for the gas delivered hereunder. In the event the Contractor discovers that any of the gas delivered hereunder fails to meet the above quality specifications, the Contractor should notify the MMS as soon as is reasonably practical.

As to the gas that does not meet the specification set out above, and which the Contractor elects not to process or treat to meet said specifications; the MMS shall have the option to:

Refuse to accept delivery of such gas. In the event the Contractor does not correct such deficiency within a reasonable time, Buyer shall have the right to suspend deliveries of Delivery Gas from the Contractor upon such notice as it deems reasonable under the circumstances;

Accept delivery of the gas pursuant to mutually agreeable terms, said terms to be agreed upon in writing by the parties, and/or cease deliveries of such gas, and MMS may obtain alternative fuel supplies elsewhere. The Contractor shall pay MMS the difference in cost for such alternative fuel supplies.

Notwithstanding the above, the Contractor shall be responsible for the quality of the gas stream following delivery to the Government. Furthermore, the Contractor shall make arrangements in its supply and transportation contracts behind this exchange to cover liability, or cause such liability to be covered, for the quality of the gas stream from the point such gas is owned and or managed by the MMS, the Federal Government or their designated agent to the point where it is consumed by the end-user.

SECTION G CONTRACT PROVISIONS

G.1 Default

The Contracting Officer without liability to the MMS may terminate this contract in whole or in part as pertains to each respective interest, by written notice to the Contractor effective upon such notice being delivered personally to any authorized representative of the Contractor, being deposited in the United States Postal System, or with an overnight delivery service addressed to the Contractor as provided in E.1. in the event:

- (1) Contractor breaches any warranty made herein;
- (2) Contractor fails to take delivery in accordance with the terms of this contract;
Contractor no longer meets the financial qualifying criteria specified in this solicitation as determined by the Government
- (4) There are instituted by or against Contractor proceedings in bankruptcy or other insolvency law; or
Contractor fails to comply with any other term or condition of this contract within 48 hours after the Contracting Officer or their designee, gives telephonic or other oral notice. The Governments will confirm any oral notification in writing.

Notwithstanding other provisions of this Request for Offers Contractor shall not be charged with any liability to the MMS under circumstances which prevent Contractor's acceptance of delivery hereunder due to causes beyond the control and without the fault or negligence of Contractor, as deemed by the Contracting Officer.

Nothing herein will limit the Government in the enforcement of any legal or equitable remedy, which it might otherwise have, and a waiver of any particular cause for termination will not prevent termination for the same cause occurring at any other time or for any other cause.

Upon termination of a contract for Contractor's default, the Contracting Officers may sell or otherwise dispose of the remaining natural gas in an appropriate manner. Any net loss experienced by the Government, calculated as the difference between the price received for the remainder of the contract period as sold by the Contracting Officer, to include administrative cost and the price that would have accrued had the Contractor delivered the volumes until the term of the contract expired will be due from the Contractor.

G.2 Disputes

G.2.a. This contract is subject to the Contract Disputes Act of 1978 as amended (41 U.S.C. Section 601 et seq.). If a dispute arises relating to the contract, the Contractor may submit a claim to the Contracting Officer, who shall issue a written decision on the dispute in the manner specified in 48 CFR 1-33.211.

G.2.b. "Claim" means:

- (1) A written request submitted to the Contracting Officer;
- (2) For payment of money, adjustment of contract terms, or other relief;
- (3) Which is in dispute or remains unresolved after a reasonable time for its review and disposition by the Government; and
- (4) For which a Contracting Officer's decision is demanded.

G.2.c. In the case of dispute requests or amendments to such requests for payment exceeding \$100,000, the Contractor shall certify at the time of submission as a claim, as follows:

I certify that the claim is made in good faith, that the supporting data are current, accurate and complete to the best of my knowledge and belief and that the amount requested accurately reflects the contract adjustment for which the Contractor believes the Government is liable.

Contractor's Name

Signature

Title

G.2.d. The Government shall pay to the Contractor interest on the amount found due to the Contractor on claims submitted under this provision at the rate established by the Department of the Treasury from the date the amount is due until the MMS makes payment. The Contract Disputes Act of 1978 as amended and the Prompt Payment Act adopt the interest rate established

by the Secretary of the Treasury under the Renegotiation Act as the basis for computing interest on money owed by the Government. This rate is published semi-annually in the Federal Register.

G.2.e. The Contractor shall pay to the Government interest on the amount found due to the Government and unpaid on claims submitted under this provision at the rate specified in Paragraph d. above from the date the amount is due until the Contractor makes payment.

G.2.f. The decision of the Contracting Officer shall be final and conclusive and shall not be subject to review by any forum, tribunal, or Government agency unless an appeal or action is commenced within the times specified by the Contract Disputes Act of 1978 as amended.

G.2.g. The Contractor shall comply with any decision of the Contracting Officer and at the direction of the Contracting Officer shall proceed diligently with performance of this contract pending final resolution of any request for relief, claim, appeal, or action related to this contract.

G.3 Termination for the Convenience of the Government

The Contracting Officer, by written notice, may terminate this contract, in whole or in part, when it is in the best interest of the Government. If this contract is terminated, the Government shall be liable only for such reasonable costs incurred by the Contractor in performance of this contract up to the time of termination. However, under no circumstances shall the Government be liable for consequential damages or lost profits as a result of such termination.

G.4 Excusable Delays

G.4.a. In the event either party should be prevented from performing under this contract by reason of any unforeseeable cause beyond its control and without its fault or negligence, including, but not restricted to, acts of God or of the public enemy, sovereign acts of the United States, acts of a foreign government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes and unusually severe weather, performance under the contract shall be suspended in whole or in part until such cause ceases to exist and thereafter the time for fulfillment of the contract shall be extended by the length of time during which such cause prevented performance under the contract.

G.4.b. In order for this provision to become operative, the party to the contract affected by the excusable delay condition shall furnish the other party with written notice of the nature and extent of the excusable delay condition promptly after the commencement thereof, but in any event prior to the scheduled date of delivery. Written notice shall be furnished within ten (10) calendar days to the other party when the excusable delay condition ceases to exist.

G.5 Modification

No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in this contract. The Contracting Officer shall make all modifications to the contract in writing.

G.6 Covenant Against Contingent Fees

G.6.a. The Offeror warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to add to the contract price or consideration, or otherwise recover, the full amount of the contingent fee.

G.6.b. "Bona fide agency," as used in this paragraph, means an established commercial or selling agency, maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

G.6.c. "Bona fide employee," as used in this paragraph, means a person, employed by a Offeror and subject to the Offeror's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

G.6.d. "Contingent fee," as used in this paragraph, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

G.6.e. "Improper influence," as used in this paragraph, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

G.7 Assignment

The Contractor shall not make or attempt to make any assignment of a contract that incorporates the clauses of this RFO or any interest therein contrary to the provisions of Federal law, including the Anti-Assignment Act (41 U.S.C. 15), which provides:

No contract or order, or any interest therein, shall be transferred by the party to whom such contract or order is given to any other party, and any such transfer shall cause the annulment of the contract or order transferred, so far as the United States is concerned. All rights of action, however, for any breach of such contract by the contracting parties, are reserved to the United States.

G.8 Officials Not to Benefit

No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this contract, or to any benefit arising from it. However, this clause does not apply to this contract to the extent that this contract is made with a corporation for the corporation's general benefit.

G.9 Gratuities

G.9.a. The Government, by written notice to the Contractor, may terminate the right of the Contractor to proceed under this contract if it is found, after notice and hearing, by the Secretary of Energy or his duly authorized representative, that gratuities (in the form of entertainment, gifts, or otherwise) were offered by or given by the Contractor, or any agent or representative of the Contractor, to any officer or employee of the Government with a view toward securing a contract or securing favorable treatment with respect to the awarding, amending, or making of any determinations with respect to the performing of such contract; provided, that the existence of the facts upon which the Administrator of MMS or his duly authorized representative makes such findings shall be in issue and may be reviewed in any competent court.

G.9.b. In the event that this contract is terminated as provided in Paragraph (a) hereof, the Government shall be entitled (1) to pursue the same remedies against the Contractor as it could pursue in the event of a breach of the contract by Contractor, and (2) as a penalty in addition to any other damages to which it may be entitled by law, to exemplary damages in an amount (as determined by the Administrator of MMS or his duly authorized representative) which shall not be less than three nor more than 10 times the cost incurred by the Contractor in providing any such gratuities to any such officer or employee.

The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

G.10. Indemnification

Contractor shall indemnify and save the Governments and Lessees harmless from and against any loss, expense, liability, or claim of any kind for damage to property, or for injury to or death of persons which Contractor, its agents, employees, or personnel intentionally or negligently or otherwise cause, arising in any way from or connected with performance of this contract.

G.11. Governing Laws and Regulations

This IFB and applicable applicable Federal Law govern this auction of Royalty Gas. The Federal Acquisition Regulations (FAR), 48 CFR, Ch. 1, Pts. 1-53 do not apply to this sale; however, the Government may use the FAR as guidance in this solicitation and contract award.

G.12. Limitation of the Government Liability

The Government is not liable for nonperformance due to Force Majeure.

G.13. Export Limitations and Licensing

Contractors are subject to all the limitations and licensing requirements of the Export Administration Act of 1969 (83 Stat. 841) in accordance with 10 U.S.C. §7430(e).

G.14. Contractor's Release of Claims

Contractor hereby releases the Government from all claims arising in connection with this contract, except in the case of those Federal claims meeting the requirements of the Contract Disputes Act which the Contracting Officer receives prior to the date upon which final delivery is due hereunder. Claims not received before such date are forever barred.

SECTION H CERTIFICATIONS

Please complete and return this section with your offer.

H.1 Certificate of Independent Value Determination

H.1.a. The Offeror certifies that -

- (1) The Exchange Gas offered to the Government has been arrived at independently, without, for the purpose of restricting competition, any consultation, communication, or agreement with any other Offeror or competitor relating to (i) those values, (ii) the intention to submit an offer, or (iii) the methods or factors used to calculate the values offered;
- (2) The Exchange Gas offered to the Government has not been and shall not be knowingly disclosed by the Offeror, directly or indirectly, to any other Offeror or competitor before contract award unless otherwise required by law; and
- (3) No attempt has been made or shall be made by the Offeror to induce any other concern to submit or not to submit an offer for the purpose of restricting competition.

H.1.b. Each signature on the offer is considered to be a certification by the signatory that the signatory -

- (1) Is the person in the Offeror's organization responsible for determining the value

being offered in this proposal, and that the signatory has not participated and shall not participate in any action contrary to Subparagraphs a. (1) through a. (3) above;
or

- (2)(i) Has been authorized, in writing, to act as agent for the following principals in certifying that those principals have not participated, and shall not participate in any action contrary to Subparagraphs a.(1) through a.(3) above

(insert full name of person(s) in the Offeror's organization responsible for determining the quantities offered in this proposal and the title of his/her position in the Offeror's organization);

- 2(ii) As an authorized agent, does certify that the principals named in subdivision b.(2)(i) above have not participated, and shall not participate, in any action contrary to Subparagraphs a.(1) through a.(3) above; and

- 2(iii) As an agent, has not personally participated, and shall not participate, in any action contrary to Subparagraphs a.(1) through a.(3) above.

H.1.c. If the Offeror deletes or modifies Subparagraph a.(2) above, the Offeror shall furnish with its offer a signed statement setting forth in detail the circumstances of the disclosure.

H.2 Contingent Fee Representation and Agreement

H.2.a. Representation. The Offeror represents that, except for full-time bona fide employees working solely for the Offeror, the Offeror: (Note: The Offeror shall check the appropriate boxes. For interpretation of the representation, including the term bona fide employee, see Provision G.9.)

- (1) _____ has, _____ has not employed or retained any person or company to solicit or obtain this contract; and
- (2) _____ has, _____ has not paid or agreed to pay to any person or company employed or retained to solicit or obtain this contract any commission, percentage, brokerage, or other fee contingent upon or resulting from the award of this contract.

H.2.b. Agreement. The Offeror agrees to provide information relating to the above Representation as requested by the Contracting Officer and, when Subparagraph (a)(1) or (a)(2) is answered affirmatively, to promptly submit to the Contracting Officer-

- (1) A completed Standard Form 119, Statement of Contingent or Other Fees, (SF 119); or
- (2) A signed statement indicating that the SF 119 was previously submitted to the

same Contracting Officer, including the date and applicable solicitation or contract number, and representing that the prior SF 119 applies to this offer or quotation.

H.3 Certification Regarding Debarment, Suspension, Proposed Debarment and Other Responsibility Matters

H.3.a. (1) The Offeror certifies, to the best of its knowledge and belief, that -

(1)(i) The Offeror and/or any of its Principals?

- A) Are (_____) are not (_____) presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by an Federal agency.
- B) Have (_____) have not (_____), within a 3-year period preceding this offer, been convicted of or had a civil judgment rendered against them for: commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, state or local) contract or subcontract; violation of Federal or state antitrust statutes relating to the submission of offers; or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property; and
- C) Are (_____) are not (_____) presently indicted for, or otherwise criminally or civilly charged by an MMS entity with, commission of any of the offenses enumerated in subdivision (a)(1)(i)(B) of this provision.

(1)(ii) The Offeror has (_____) has not (_____) within a 3-year period preceding this offer, had one or more contracts terminated for default by any Federal agency.

(2) "Principals," for the purposes of this certification, means officers; directors; owners; partners; and, persons having primary management or supervisory responsibilities within a business entity (e.g., general manager; plant manager; head of a subsidiary division, or business segment, and similar positions).

This certification concerns a matter within the jurisdiction of an agency of the United States and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under section 1001, title 18, United States Code.

H.3.b. The Offeror shall provide immediate written notice to the Contracting Officer if, at any time prior to contract award, the Offeror learns that its certification was erroneous by reason of changed circumstances.

H.3.c. A certification that any of the items in Paragraph a. of this provision exists shall not necessarily result in withholding of an award under this solicitation. However, the certification shall be considered in connection with a determination of the Offeror's responsibility. Failure of the Offeror to furnish a certification or provide such additional information as requested by the Contracting Officer may render the Offeror nonresponsive.

H.3.d. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required in Paragraph (a) of this provision. The knowledge and information of an Offeror is not required to exceed that which is normally processed by a prudent person in the ordinary course of business dealings.

H.3.e. The certification in Paragraph a. of this provision is material representation of fact upon which reliance was placed when making award. If it is later determined that the Offeror knowingly rendered an erroneous certification, in addition to the other remedies available to the Government, the Contracting Officer may terminate the contract resulting from this solicitation for default.

H.4 Contact Information:

For questions regarding the contract and solicitation please contact:

Mr. Michael De-Colle, Contracting Officer
U.S. Department of the Interior
Minerals Management Service
381 Elden Street, MS 2500
Herndon, Virginia 22070-4817
PHONE (703) 787-1352
FAX (703) 787-1009
E-mail: Michael.DelColle@mms.gov

Mr. Gregory W. Smith
U.S. Department of the Interior
Minerals Management Service
12,600 W. Colfax Ave, MS 9200
Lakewood, CO 80225
PHONE (303) 275-7102
FAX (303) 275-7124
E-mail: Gregory.W.Smith@mms.gov

H.5 CERTIFICATION OF NONSEGREGATED FACILITIES

"Segregated facilities," as used in this provision, means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas,

transportation, and housing facilities provided for employees, that are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin because of habit, local custom, or otherwise.

By the submission of this offer, the Offeror certifies that it does not and will not maintain or provide for its employees any segregated facilities at any location under its control where segregated facilities is a violation of the Equal Opportunity clause in the contract.

The Offeror further agrees that (except where it has obtained identical certifications from proposed sub purchasers for specific time periods) it will--
Obtain identical certifications from proposed sub purchasers before the award of subcontracts under which the sub purchaser will be subject to the Equal Opportunity clause;

Retain the certifications in the files; and
Forward the following notice to the proposed sub purchasers (except if the proposed sub purchasers have submitted identical certifications for specific time periods):

H.6 Previous Contract and Compliance Reports.

The Offeror represents that:

It has/has not participated in a previous contract or subcontract subject either to the Equal Opportunity clause of this solicitation, the clause originally contained in Section 310 of Executive Order No. 10925, or the clause in Section 201 of executive Order No. 11114;

It has, has not filed all required compliance reports; and

Representations indicating submission of required compliance reports, signed by proposed sub purchasers, will be obtained before subcontract awards.

H.7 Clean Air and Water Certification.

The Offeror certifies that –

Any facility to be used in the performance of this proposed contract is, is not listed on the Environmental Protection Agency (EPA) List of Violating Facilities:

The Offeror will immediately notify the Contracting Officer, before award, of the receipt of any communication from the Administrator, or a designee, of the EPA, indicating that any facility that the Offeror proposes to use for the performance of the contract is under consideration to be listed on the EPA List of Violating Facilities; and

The Offeror will include a certification substantially the same as this certification, including this paragraph (c), in every nonexempt subcontract.

H.8 Certification of Toxic Chemical Release Reporting.

Submission of this certification is a prerequisite for making or entering into this contract imposed by Executive Order 12969, August 8, 1995.

By signing this offer, the Offeror certifies that –

As the owner or operator of facilities that will be used in the performance of this contract that are subject to the filing and reporting requirements described in Section 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11023) and Section 6607 of the Pollution Prevention Act of 1990 (PPA), the Offeror will file and continue to file for such facilities for the life of the contract the Toxic Chemical Release Inventory form (Form R) as described in Sections 313 (a) and (g) of EPCRA and Section 6607 of PPA; or

(2) None of its owned or operated facilities to be used in the performance of this contract is subject to the Form R filing and reporting requirements because each such facility is exempt for at least one of the following reasons: (Check each block that is applicable.)

The facility does not manufacture, process or otherwise use any toxic chemical listed under Section 313(c) of EPCRA, 42, U.S.C. 11023(c);

(ii) The facility does not have 10 or more full-time employees as specified in Section 313(b) (1) (A) of EPCRA, 42 U.S.C. 11023(b) (1) (A);

(iii) The facility does not meet the reporting thresholds of toxic chemicals established under Section 313(f) of EPCRA, 42 U.S.C. 11023(f) (including the alternate thresholds at 40 CFR 372.27, provided an appropriate certification form has been filed with EPA);

(iv) The facility does not fall within Standard Industrial Classification Code (SIC) designations 20 through 39 as set forth in Section 19.102 of the Federal Acquisition Regulation; or

(v) The facility is not located within any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, the Northern Mariana Islands, or any other territory or possession over which the United States has jurisdiction.

H.9 Data Universal Numbering System (DUNS).

The Offeror is requested to insert the Dun and Bradstreet number (DUNS) assigned to their address. _____

H.10 Taxpayer Identification.

a. Definitions.

"Common parent," means that corporate entity that owns or controls an affiliated group of corporations that files its Federal income tax returns on a consolidated basis, and of which the Offeror is a member.

"Corporate status," means a designation as to whether the Offeror is a corporate entity, an unincorporated entity (e.g., sole proprietorship or partnership), or a corporation providing medical and health care services.

"Taxpayer Identification Number (TIN)," means the number required by the IRS to be used by the Offeror in reporting income tax and other returns.

- b. All Offerors are required to submit the information required in paragraphs c. through e. of this RFO provision in order to comply with reporting requirements of 26 U.S.C. 6041, 6041A, and 6050M and implementing regulations issued by the Internal Revenue Service (IRS).

- c. Taxpayer Identification Number (TIN)

TIN _____.

TIN has been applied for.

TIN is not required because: Choose one of the following:

Offeror is a nonresident alien, foreign corporation, or foreign partnership that does not have income effectively connected with the conduct of a trade or business in the U.S. and does not have an office or place of business or a fiscal paying agent in the U.S.;

Offeror is an agency or instrumentality of a foreign Offeror;

Offeror is an agency or instrumentality of a Federal, state, or local Offeror;

Other Choose one of the following:

- d. Corporate Status.

Other corporate entity;

Not a corporate entity;

Sole proprietorship;

Partnership;

- e. Common Parent.

Offeror is not owned or controlled by a common parent as defined in paragraph (a) of this clause.

Name and TIN of common parent:

Name

TIN

Lease Location/ Line Code	Lease/Agre.	Lease/Agreement Operator	Optr. No.	FMP Number	FMP Location	MMS Sys No.	Estimate d Royalty Mcf/day	Est. Btu content	Lateral Pipeline	Meter No. at FMP/ Platform	Exchange Point	Bid
HIOS/UTOS Pipeline FMPs												
WC 204a	054-015066-0	EEX Corporation	S2110	3017700HI00	WC 0204 A	HI0	792	1066	EEX	206W1		
WC 306b	054-010572-0	St. Mary Land and Exploration	not avail	3017701HI0N	WC 0306 A	HI0	963	1051				
WC 304	054-017786-0	Union Oil Company of California	F0031	3017701HI0N	WC 0306 A	HI0	1,578	1068				
				3017701HI0N Total			2,541		St. Mary L & E	306W1		
HI A 551b	054-003757-0	Forcenergy Inc.	L8320	3042709HI04	HIA0551 C	HI0	3,245	1112	Forcenergy	551H1		
HI A 312	054-014913-0	CNG Producing Company	F2820	3042711HI02	HIA0312 A	HI0	486	1073	CNG	312H1		
WC 205	054-002832-0	Forcenergy Inc.	L8320	3117700HI06	WC 0205 A	HI0	2	1051				
WC 206e	054-003496-0	Santa Fe Snyder Corpotation	L5510	3117700HI06	WC 0205 A	HI0	7,482	1046				
				3117700HI06 Total			7,484		Northern Natural	205W1		
WC 238	054-002834-0	J.M. Huber	F1450	3117700HI07	WC 0238 A	HI0	110	1021				
WC 249	054-003499-0	J.M. Huber	F1450	3117700HI07	WC 0238 A	HI0	6	1021				
WC 248b	054-009408-0	J.M. Huber	F1450	3117700HI07	WC 0238 A	HI0	555	1021				
				3117700HI07 Total			671		Northern Natural	238W1		
WC 291b	054-004397-0	Pennzenergy E & P Company	S3320	3117700HI09	WC 0165 A	HI0	2,021	1085				
WC 165	055-000758-0	Pennzenergy E & P Company	S3320	3117700HI09	WC 0165 A	HI0	169	1085				
				3117700HI09 Total			2,190		ANR	165W1		
WC 182	054-015062-0	Seneca Resources Corp.	F5600	3117700HI0X	WC 0182 A	HI0	1,998	1047	Seneca	182W1		
HI A 467b	054-002688-0	Forcenergy Inc.	L8320	3142709HI06	HIA0467 A	HI0	2,600	1027				
HI A 466b	054-003242-0	Forcenergy Inc.	L8320	3142709HI06	HIA0467 A	HI0	167	1027				
HI A 470b	054-017181-0	Forcenergy Inc.	L8320	3142709HI06	HIA0467 A	HI0	117	1027				
				3142709HI06 Total			2,884		Transco	467H1		
HI A 471b	054-002690-0	Newfield Exploration Company	L3640	3142709HI08	HIA0471 A	HI0	2,138	1031	Transco	471H1		
HI A 547b	054-002705-0	Samedan Oil Corporation	F1850	3142709HI0D	HIA0547 B	HI0	463	1065				
HI A 548b	054-002706-0	Samedan Oil Corporation	F1850	3142709HI0D	HIA0547 B	HI0	17	1065				
HI A 568e	054-002716-0	Samedan Oil Corporation	F1850	3142709HI0D	HIA0547 B	HI0	1,138	1065				
HI A 545	054-017199-0	Shell Offshore Inc.	F6890	3142709HI0D	HIA0547 B	HI0	3,296	1065				
				3142709HI0D Total			4,914		Samedan	547H1		
HI A 531b	054-002696-0	Newfield Exploration Company	L3640	3142709HI0L	HIA0536 C	HI0	1,127	1072				

Lease Location/ Line Code	Lease/Agre.	Lease/Agreement Operator	Optr. No.	FMP Number	FMP Location	MMS Sys No.	Estimate d Royalty Mcf/day	Est. Btu content	Lateral Pipeline	Meter No. at FMP/ Platform	Exchange Point	Bid
HI A 536b	054-002697-0	Newfield Exploration Company	L3640	3142709HI0L	HIA0536 C	HI0	50	1100				
HI A 537b	054-002698-0	Newfield Exploration Company	L3640	3142709HI0L	HIA0536 C	HI0	730	1076				
				3142709HI0L Total			1,907		Northern Natural	536H2		
HI A 551d	054-003757-0	Forcenergy Inc.	L8320	3142709HI0P	HIA0552 A	HI0	151	1030				
HI A 552b	054-003949-0	Forcenergy Inc.	L8320	3142709HI0P	HIA0552 A	HI0	272	1030				
HI A 553	054-006237-0	Bellwether Exploration Co.	S1890	3142709HI0P	HIA0552 A	HI0	572	1070				
				3142709HI0P Total			995		Transco	552H1		
HI A 561b	054-002712-0	Newfield Exploration Company	L3640	3142709HI0R	HIA0561 A	HI0	1,651	1092				
GA A 218b	054-014152-0	Walter Oil & Gas Corporation	F7300	3142709HI0R	HIA0561 A	HI0	34	1092				
				3142709HI0R Total			1,685		ANR	561H1		
HI A 563b	054-002388-0	Texaco E & P Inc.	F7710	3142709HI0S	HIA0563 B	HI0	6,459	1045	Transco	not avail.		
HI A 568f	054-002716-0	Samedan Oil Corporation	F1850	3142709HI0U	HIA0568 A	HI0	3,952	1066	Transco	568H1		
HI A 570	054-002390-0	CNG Producing Company	F2820	3142709HI0W	HIA0571 A	HI0	3,280	1118				
HI A 571	054-002391-0	CNG Producing Company	F2820	3142709HI0W	HIA0571 A	HI0	12,690	1118				
HI A 576	054-014194-0	Kerr-McGee Oil & Gas Corp.	S2190	3142709HI0W	HIA0571 A	HI0	2,527	1094				
				3142709HI0W Total			18,497		CNG	571H1		
HI A 572	054-002392-0	Union Oil Company of California	F0032	3142709HI0X	HIA0573 B	HI0	140	1118				
HI A 573	054-002393-0	Union Oil Company of California	F0032	3142709HI0X	HIA0573 B	HI0	1,222	1118				
HI A 382	054-002757-0	Union Oil Company of California	F0032	3142709HI0X	HIA0573 B	HI0	67	1118				
HI A 573C	754-390002-0	Union Oil Company of California	F0032	3142709HI0X	HIA0573 B	HI0	9,250	1118				
				3142709HI0X Total			10,679		Texas Gas Trans.	573H2		
HI A 582b	054-002719-0	Texaco E & P Inc.	F7710	3142709HI0Y	HIA0582 C	HI0	888	1063	Transco	not avail.		
HI A 573b	054-002393-0	Union Oil Company of California	F0032	3142709HI0Z	HIA0595 CF	HI0	186	1109				
HI A 595	054-002721-0	Union Oil Company of California	F0032	3142709HI0Z	HIA0595 CF	HI0	30	1109				
HI A 596	054-002722-0	Union Oil Company of California	F0032	3142709HI0Z	HIA0595 CF	HI0	70	1109				
HI A 382c	054-002757-0	Union Oil Company of California	F0032	3142709HI0Z	HIA0595 CF	HI0	832	1109				
GB 134b	054-013366-0	ATP Oil and Gas Corp.	L8190	3142709HI0Z	HIA0595 CF	HI0	210	1109				
				3142709HI0Z Total			1,328		Texas Gas Trans.	595H1		
HI 166b	054-006200-0	Enron Oil & Gas Company	L1030	3142710HI03	HI 0167 A	HI0	780	1031	Enron	167H1		
HI A 269b	054-002723-0	NCX Company Inc.	L1510	3142711HI01	HIA0270 A	HI0	172	1042				

Lease Location/ Line Code	Lease/Agre.	Lease/Agreement Operator	Optr. No.	FMP Number	FMP Location	MMS Sys No.	Estimate d Royalty Mcf/day	Est. Btu content	Lateral Pipeline	Meter No. at FMP/ Platform	Exchange Point	Bid
HI A 270b	054-002724-0	NCX Company Inc.	L1510	3142711HI01	HIA0270 A	HI0	630	1042				
HI A 281c	054-003377-0	Samedan Oil Corporation	F1850	3142711HI01	HIA0270 A	HI0	608	1042				
				3142711HI01 Total			1,410		NCX	270H1		
WC 633	054-002238-0	Shell Offshore Inc.	F6890	3142711HI06	HIA0350 A	HI0	44	1016				
HI A 350b	054-002428-0	Shell Offshore Inc.	F6890	3142711HI06	HIA0350 A	HI0	2,732	1016				
				3142711HI06 Total			2,776		Transco	350H1		
HI A 286d	054-003486-0	Forcenergy Inc.	L8320	3142711HI08	HIA0287 A	HI0	98	1015				
HI A 299c	054-017207-0	Forcenergy Inc.	L8320	3142711HI08	HIA0287 A	HI0	367	1015				
				3142711HI08 Total			465		CGT	287H1		
HI A 309b	054-002735-0	Coastal Oil & Gas Corporation	F4910	3142711HI0B	HIA0309 A	HI0	2,726	1026	ANR	not avail.		
HI A 317c	054-002412-0	Coastal Oil & Gas Corporation	F4910	3142711HI0E	HIA0317 A	HI0	1,460	1026				
HI A 309	054-002733-0	Newfield Exploration Company	L3640	3142711HI0E	HIA0317 A	HI0	1,573	1026				
HI A 304	054-017209-0	Newfield Exploration Company	L3640	3142711HI0E	HIA0317 A	HI0	2,304	1026				
				3142711HI0E Total			5,337		NGPL	317H1		
HI A 334e	054-002423-0	Union Oil Company of California	F0032	3142711HI0J	HIA0334 A	HI0	2,630	1072	Texas Gas Trans.	334H1		
HI A 340b	054-002426-0	Pennzenergy E & P Company	S3320	3142711HI0M	HIA0340 A	HI0	306	1075				
HI A 339b	054-002739-0	Pennzenergy E & P Company	S3320	3142711HI0M	HIA0340 A	HI0	1,942	1075				
				3142711HI0M Total			2,248		Koch Gateway	340H1		
GB 224	054-006364-0	Kerr-McGee Oil & Gas Corp.	S2190	3142711HI0O	HIA0384 A	HI0	2,723	1035				
GB 179	054-017301-0	Walter Oil & Gas Corporation	F7300	3142711HI0O	HIA0384 A	HI0	1,329	1070				
HI A 384b	754-393023-0	Kerr-McGee Oil & Gas Corp.	S2190	3142711HI0O	HIA0384 A	HI0	1,397	1108				
				3142711HI0O Total			5,449		Transco	384H1		
HI A 356	054-002746-0	Pogo Producing Company	F2310	3142711HI0R	HIA0356 A	HI0	1,529	1015	Koch Gateway	356H1		
HI A 370c	054-002434-0	Kerr-McGee Oil & Gas Corp.	S2190	3142711HI0T	HIA0370 A	HI0	2,180	1032				
HI A 369	054-002751-0	Kerr-McGee Oil & Gas Corp.	S2190	3142711HI0T	HIA0370 A	HI0	10	1032				
				3142711HI0T Total			2,190		Transco	370H1		
HI A 365b	054-002750-0	Anadarko Petroleum Corp.	F9810	3142711HI0U	HIA0376 A	HI0	131	1111				
HI A 376c	054-002754-0	Anadarko Petroleum Corp.	F9810	3142711HI0U	HIA0376 A	HI0	542	1111				
				3142711HI0U Total			673		Anadarko & Trunkline	376H1		
HI A 263b	054-013342-0	Coastal Oil & Gas Corporation	F4910	3142711HI0V	HIA0263 B	HI0	444	1019				

Lease Location/ Line Code	Lease/Agre.	Lease/Agreement Operator	Optr. No.	FMP Number	FMP Location	MMS Sys No.	Estimate d Royalty Mcf/day	Est. Btu content	Lateral Pipeline	Meter No. at FMP/ Platform	Exchange Point	Bid
HI A 271	054-006245-0	Coastal Oil & Gas Corporation	F4910	3142711HI0V	HIA0263 B	HI0	126	1019				
HI A 272	054-008187-0	Coastal Oil & Gas Corporation	F4910	3142711HI0V	HIA0263 B	HI0	204	1019	Coastal	not avail.		
				3142711HI0V Total			774					
HI A 310b	054-003378-0	Coastal Oil & Gas Corporation	F4910	3142711HI0X	HIA0310 B	HI0	565	1040	ANR	not avail.		
EB 158b	054-002645-0	Union Oil Company of California	F0032	3160804HI00	EB 0160 A	HI0	4,893	1071				
EB 159b	054-002646-0	Union Oil Company of California	F0032	3160804HI00	EB 0160 A	HI0	3,084	1071				
EB 160C	054-002647-0	Union Oil Company of California	F0032	3160804HI00	EB 0160 A	HI0	622	1071				
EB 161b	054-002648-0	Union Oil Company of California	F0032	3160804HI00	EB 0160 A	HI0	157	1071				
EB 117b	054-014204-0	Vastar Offshore Inc.	S3160	3160804HI00	EB 0160 A	HI0	846	1071				
				3160804HI00 Total			9,602		Union Expl. Partners	160E1		
EB 165b	754-388012-0	PANACO, INC.	L7700	3160804HI01	EB 0165 A	HI0	1,117	1080	B.P. Expl.	165E1		
EB 109	054-002649-0	PANACO, INC.	L7700	3160804HI02	EB 0110 A	HI0	35	1063				
EB 110b	054-002650-0	PANACO, INC.	L7700	3160804HI02	EB 0110 A	HI0	361	1063				
EB 112b	754-391005-0	AGIP Petroleum Co.	F1620	3160804HI02	EB 0110 A	HI0	2,608	1063				
				3160804HI02 Total			3,004		Panaco	110E1		
HI A 550c	054-004081-0	Samedan Oil Corporation	F1850	3142709HJ04	HIA0550 A	HJ0	8,231	1098				
HI A 549	054-012584-0	Samedan Oil Corporation	F1850	3142709HJ04	HIA0550 A	HJ0	12	1098				
				3142709HJ04 Total			8,243		TET	550H1		
HI A 557	054-003484-0	Amerada Hess Corporation	F0590	3142709HJ07	HIA0557 A	HJ0	179	1128				
HI A 556b	054-006238-0	Amerada Hess Corporation	F0590	3142709HJ07	HIA0557 A	HJ0	332	1128				
				3142709HJ07 Total			511		Amerada Hess	557H1		
HI A 523b	054-011390-0	Coastal Oil & Gas Corporation	F4910	3142709HJ08	HIA0523 A	HJ0	1,177	1031	Koch Hydrocarbon	523H1		
HI A 528	054-013803-0	Apache Corporation	F1050	3142709HJ0D	HIA0528JA	HJ0	1,450	1036	Shell Offshore	528H1		
HI A 415c	054-015793-0	Tana Oil and Gas Corporation	L5480	3142709HJ0F	HIA0416 A	HJ0	2,031	1022				
HI A 416c	054-015794-0	Tana Oil and Gas Corporation	L5480	3142709HJ0F	HIA0416 A	HJ0	989	1022				
				3142709HJ0F Total			3,020		Tana O & G	416H2		
			Bid for all HIOS/UTOS FMPs (42)				133,409	1071				
Pelican Gas Gathering System FMPs												

Dec. 1999 OCS Gas RIK Project Property List

Exhibit A

[illegible]

Lease Location/ Line Code	Lease/Agre.	Lease/Agreement Operator	Optr. No.	FMP Number	FMP Location	MMS Sys No.	Estimate d Royalty Mcf/day	Est. Btu content	Lateral Pipeline	Meter No. at FMP/ Platform	Exchange Point	Bid
			Bid for all Transco/NHIH FMPs (7)				43,778	1077				
Tennessee Gas Pipeline (Line 800) System FMPs												
SA 12	054-014590-0	Apache Corporation	F1050	3017731SA05	SA 0012 A	SA0	774	1014		0-12455-01		
Stingray Pipeline System FMPs												
WC 197c	054-003264-0	Union Oil Company of California	F0031	3017700Y00K	WC 0196 A	Y00	1,239	1043				
WC 196b	054-005292-0	Union Oil Company of California	F0031	3017700Y00K	WC 0196 A	Y00	7,537	1043				
			3017700Y00K Total				8,776		UNOCAL	4980		
WC 269b	054-013563-0	Shell Offshore Inc.	F6890	3017700Y00W	WC 0269 JA	Y00	2,604	1115				
WC 266b	054-013838-0	Shell Offshore Inc.	F6890	3017700Y00W	WC 0269 JA	Y00	626	1115				
WC 270b	054-015073-0	Shell Offshore Inc.	F6890	3017700Y00W	WC 0269 JA	Y00	800	1115				
			3017700Y00W Total				4,030		Shell	10722		
WC 368	054-005315-0	Century Offshore Mgmt. Corp.	L1020	3017701Y00F	WC 0368 A	Y00	527	1014				
WC 364c	054-015083-0	Vastar Resources Inc.	L8550	3017701Y00F	WC 0368 A	Y00	496	1014				
			3017701Y00F Total				1,023		Century	5924		
WC 431c	054-010584-0	SONAT Exploration GOM Inc	F2360	3017701Y00Q	WC 0431	Y00	1,965	1002	SONAT	11342		
WC 533	054-002225-0	Pennzenergy E & P Company	S3320	3017702Y003	WC 0533 A	Y00	2,431	1013				
WC 533b	891-016152-0	Pennzenergy E & P Company	S3320	3017702Y003	WC 0533 A	Y00	358	1013				
			3017702Y003 Total				2,789			496		
WC 551	054-002555-0	Pennzenergy E & P Company	S3320	3017702Y009	WC 0551 A	Y00	815	1013	NGPL	498		
WC 560d	054-003283-0	Pennzenergy E & P Company	S3320	3017702Y00A	WC 0560 A	Y00	2	1025				
WC 561c	054-004094-0	Pennzenergy E & P Company	S3320	3017702Y00A	WC 0560 A	Y00	73	1025				
WC 553c	054-004410-0	Pennzenergy E & P Company	S3320	3017702Y00A	WC 0560 A	Y00	1	1025				
WC 575	054-004844-0	Pennzenergy E & P Company	S3320	3017702Y00A	WC 0560 A	Y00	4,715	1025				
			3017702Y00A Total				4,791		NGPL	504		
WC 522b	054-014340-0	Newfield Exploration Company	L3640	3017702Y00B	WC 0522 A	Y00	642	1035				
WC 521	054-015107-0	CNG Producing Company	F2820	3017702Y00B	WC 0522 A	Y00	86	1035				
			3017702Y00B Total				728		TET	5917		

Lease Location/ Line Code	Lease/Agre.	Lease/Agreement Operator	Optr. No.	FMP Number	FMP Location	MMS Sys No.	Estimate d Royalty Mcf/day	Est. Btu content	Lateral Pipeline	Meter No. at FMP/ Platform	Exchange Point	Bid
WC 564	054-002014-0	Chevron U.S.A. Inc.	F0780	3017702Y00C	WC 0564 A	Y00	3,616	1035	NGPL	501		
WC 565	054-002015-0	Shell Offshore Inc.	F6890	3017702Y00D	WC 0565 A	Y00	3,177	1013		502		
WC 593b	054-002023-0	Union Oil Company of California	F0032	3017702Y00H	WC 0593 A	Y00	253	1135				
WC 594b	054-002024-0	Union Oil Company of California	F0032	3017702Y00H	WC 0593 A	Y00	1,396	1135				
				3017702Y00H Total			1,649		CGT	5907		
WC 543c	054-012802-0	Apache Corporation	F1050	3017702Y00X	WC 0544 A	Y00	1,505	1040				
WC 544	054-014342-0	Apache Corporation	F1050	3017702Y00X	WC 0544 A	Y00	294	1040				
				3017702Y00X Total			1,799		PETSEC	25725		
EC 338	054-002063-0	Kerr-McGee Oil & Gas Corp.	S2190	3017704Y004	EC 0338 A	Y00	163	1090				
EC 356b	054-013592-0	EEX Corporation	S2110	3017704Y004	EC 0338 A	Y00	41	1090				
EC 349b	054-014385-0	EEX Corporation	S2110	3017704Y004	EC 0338 A	Y00	709	1090				
EC 350b	054-015157-0	EEX Corporation	S2110	3017704Y004	EC 0338 A	Y00	303	1090				
				3017704Y004 Total			1,216			5443		
EC 359	054-002567-0	Anadarko Petroleum Corp.	F9810	3017704Y007	EC 0359 A	Y00	260	1046				
EC 378c	054-012856-0	SONAT Exploration GOM Inc	F2360	3017704Y007	EC 0359 A	Y00	2,625	1026				
				3017704Y007 Total			2,885		Trunkline & NGPL	5955		
EC 320b	054-010636-0	Samedan Oil Corporation	F1850	3017704Y00A	EC 0320 A	Y00	1,301	1107		10606		
VR 214	054-002076-0	Chevron U.S.A. Inc.	F0780	3017705Y000	VR 0214 A	Y00	3,144	1085				
VR 213b	054-011877-0	NCX Company Inc.	L1510	3017705Y000	VR 0214 A	Y00	62	1085				
				3017705Y000 Total			3,206			6187		
VR 371b	754-393006-0	Samedan Oil Corporation	F1850	3017706Y001	VR 0371 A	Y00	1,202	1098		10547		
VR 321b	054-002088-0	CXY Energy Offshore Inc.	S0790	3017706Y002	VR 0321 A	Y00	2,815	1084				
VR 302	054-003138-0	CXY Energy Offshore Inc.	S0790	3017706Y002	VR 0321 A	Y00	1,513	1084				
				3017706Y002 Total			4,328			490		
VR 339	054-002090-0	CXY Energy Offshore Inc.	S0790	3017706Y005	VR 0340 A	Y00	918	1079				
VR 340b	054-002091-0	CXY Energy Offshore Inc.	S0790	3017706Y005	VR 0340 A	Y00	971	1079				
				3017706Y005 Total			1,889		NGPL	491		
VR 348	054-002271-0	Pioneer Natural Res. USA, Inc.	L9350	3017706Y006	VR 0348 A	Y00	994	1004	NGPL	922		

Lease Location/ Line Code	Lease/Agre.	Lease/Agreement Operator	Optr. No.	FMP Number	FMP Location	MMS Sys No.	Estimate d Royalty Mcf/day	Est. Btu content	Lateral Pipeline	Meter No. at FMP/ Platform	Exchange Point	Bid
EC 362	054-011853-0	ATP Oil and Gas Corp.	L8190	3017706Y00B	VR 0410 A	Y00	205	1029				
VR 410	054-011903-0	ATP Oil and Gas Corp.	L8190	3017706Y00B	VR 0410 A	Y00	1,830	1029				
VR 389	054-014430-0	ATP Oil and Gas Corp.	L8190	3017706Y00B	VR 0410 A	Y00	253	1029				
VR 409	054-014435-0	ATP Oil and Gas Corp.	L8190	3017706Y00B	VR 0410 A	Y00	841	1029				
				3017706Y00B Total			3,129		Blazer	10766		
GB 191	054-006359-0	Chevron U.S.A. Inc.	F0780	3060807Y000	GB 0191 A	Y00	7,307	1015		25015		
				Bid for all Stingray FMPs (22)			62,615	1047				
				Bid for all FMPs (74)			243,810	1065				
Notes:												
• Estimated Volumes and Btu content are generally the average of the last 3 months production of the FMP properties as shown on MMS Oil and Gas Operations Report (OGOR), normally May - July 1999 or April - June 1999.												
• Lateral Pipeline and Meter No. data was taken from pipeline maps and also Gas Volume Statements as submitted to MMS/OMM. If the Lateral Pipeline is blank, it appears that the FMP is tied directly to the mainline system. The data is the best available information and potentially outdated, therefore, MMS does not assure total accuracy.												

EXHIBIT B

PREQUALIFICATION SOLICITATION
ROYALTY GAS BIDDERS
ROYALTY IN KIND PROGRAM
GULF OF MEXICO PILOT-COMPETITIVE AUCTION

issued by

U.S. Department of the Interior
Minerals Management Service
Procurement and Property Management Division
Procurement Operations Branch
381 Elden Street, MS 2500
Herndon, Virginia 22070-4817

PAPERWORK REDUCTION ACT STATEMENT: The Paperwork Reduction Act of 1995 requires us to inform you that the Minerals Management Service (MMS) collects this information to document fulfillment of royalty obligations and sales of minerals from leases on Federal lands. We will use this information to evaluate bids for sale of royalty production. Proprietary information is protected according to standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U. S. C. 1733), the Freedom of Information Act (5 U.S., 552 (b)(4), and the Departmental Regulations (43 CFR 2). Responses are required to obtain a benefit. Comments on the accuracy of this burden or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N. W., Washington DC 20240.

COVER PAGE

The Minerals Management Service (MMS) is soliciting applications from energy companies and organizations that wish to be designated as prequalified to bid on the royalty portion of natural gas produced from offshore leases in the Gulf of Mexico. This opportunity is specific to the solicitation for competitive bids to be issued/posted on October 8, 1999 on the MMS Web site.

This solicitation for prequalification consists of this Cover Page and the attached Requestor's Signature Page.

The royalty gas will be sold by MMS as part of its royalty in kind (RIK) pilot programs designed to test the feasibility of the RIK concept. The October 8th offering will be for a 4-month term beginning on December 1, 1999.

MMS will review and analyze financial statements submitted by energy companies or organizations in response to this request in conjunction with publicly available information. Those companies that are deemed qualified by MMS to purchase royalty gas will be so notified. MMS will only consider competitive bids from prequalified companies in this competitive auction.

Potential purchasers of Federal gas in this RIK pilot program must certify that the company's total revenues from buying and selling natural gas have not been less than \$40,000,000 (U.S. dollars) during any calendar year from 1994 through 1998, inclusively. For joint ventures and partnering arrangements, only one of the partners is required to qualify as described above, provided that each of the partners is jointly and severally liable with respect to all obligations in this solicitation. MMS requests that interested energy companies or organizations complete and send via fax the attached Requestor's Signature Page with the most current company Financial Statement to:

U.S. Department of the Interior, Minerals Management Service
Attn: Mr. Doug Ivey
1700 North Congress
Stephen F. Austin Building
Austin, TX 78701-1495
Telefax (512) 475-1404

Prequalification applications must be submitted by no later than October 15, 1999 to the above address to be approved as a qualified bidder for the GOM pilot competitive auction. You will be notified no later than noon (Central) on October 20, 1999 as to your prequalification status.

Only qualified potential purchasers will be allowed to bid for royalty gas volumes made available.

REQUESTOR'S SIGNATURE PAGE
GULF OF MEXICO RIK PILOT COMPETITIVE AUCTION

REQUESTOR'S BUSINESS NAME: _____

ADDRESS: _____

CORPORATE OR PARTNERSHIP OFFICER: _____

TYPED NAME AND TITLE: _____

DATE: _____

POINT OF CONTACT NAME AND TITLE: _____

POINT OF CONTACT PHONE AND FAX: _____

POINT OF CONTACT EMAIL ADDRESS: _____

CORPORATE SEAL: _____

Requests by corporations must be executed over the corporate seal.

We certify that we are a qualified bidder as described in the Cover Page of this solicitation and that the information, representations and certifications included in the attached Financial Statement are accurate.

EXHIBIT C

Dear Operator:

The Minerals Management Service (MMS) has selected one or more Gulf of Mexico lease(s) that you operate to be included in a pilot project (Pilot) in which we will take natural gas royalties in kind beginning December 1, 1999. For the term of the Pilot, natural gas royalties will be taken in kind from offshore leases as defined in the Outer Continental Shelf Lands Act of 1953 (OCSLA, 43 U.S.C. 1337(g)). The purpose of the Pilot is to examine the methods and feasibility of taking natural gas royalties in kind.

This letter provides the procedures and establishes the terms and conditions under which the United States (Lessor) will take royalty gas in kind during this project. Our authority is the Outer Continental Shelf Lands Act at 43 U.S.C. 1353, and the royalty provisions contained in your Federal lease(s). For the purposes of this letter, royalty gas means the daily Federal lease production multiplied by the lease royalty rate.

Term

The Lessor will take all royalty gas from the properties listed in the enclosure beginning on the 1st day of December 1999 and ending on the last day of the month subsequently designated by the Lessor as the date of termination. The Lessor will provide Lessee and Operator with a minimum 30-day prior written notice of termination of in-kind status and will attempt to provide 45-day notice of termination, if possible.

Royalty-in-Kind Applicability

You must deliver all royalty gas to the Lessor from the selected leases, including royalty gas from newly producing wells on these leases or newly producing leases added to commingling agreements. Royalty gas must be placed in marketable condition at no cost to the Lessor. Marketable condition means the condition generally acceptable to purchasers in the field or area. Questions regarding marketable condition should be directed to the Lessor's Program Coordinator (under "Lessor Point of Contact" at the end of this letter).

The amount of any flash gas allocable to the lease obtained downstream of the Facility Measurement Point (FMP) will be included in subsequent month volume adjustments as described under "Balancing Account and Imbalances".

Royalty Gas Delivery

The Lessor will take delivery of the royalty gas at the Delivery Point. The Lessee must deliver or accomplish delivery of royalty gas to the Lessor at the Delivery Point at the same frequency as it is produced and transported from the property. Unless otherwise agreed, delivery will be assumed to be daily.

The Delivery Point for royalty gas produced from the selected leases is the FMP that is approved by MMS as the royalty settlement point. If there is more than one approved FMP, after consultation with you, we will designate in writing one or more FMP as the delivery point(s). The Lessor shall have custody, possession, and responsibility for royalty gas beyond the delivery point.

We are not requiring you to process the royalty gas.

Fulfillment of Royalty Obligations

Delivery of the accurate volume of royalty gas (taking into account the effects of normal operational imbalances) in accordance with the terms of this letter will satisfy in full the Lessee's royalty obligation to the Lessor. However, the rights, duties, and obligations that currently exist between the Lessor, Lessee, and Operator for natural gas avoidably lost prior to the FMP or gas used on or for the benefit of the lease under 30 CFR part 202 remain in effect.

All rent or minimum royalty obligations on any property in this program remain the responsibility of the Lessee. If we believe that the Lessee owes minimum royalties, we will issue an appropriate order to pay. The Lessee will have 30 days to review the bill and make payment or appeal the bill.

Lessor Obligation to Take

The Lessor agrees to take 100 percent of the royalty gas delivered daily for the account of the Lessor or its designee at the Delivery Point. The Lessor, using customary industry practices set forth in GISB standards and the Council of Petroleum Accountants Societies (COPAS) White Paper on Producer and Operator Roles and Responsibilities for nominating and scheduling transportation services, will exercise its best efforts to minimize the occurrence of imbalances with you and other lessees. Where possible, you will use a predetermined allocation equal to the royalty rate.

To facilitate timely and accurate custody transfer of royalty gas, the Lessor will communicate with you and make arrangements for the transfer of royalty gas from the Delivery Point(s). The Lessor will incur all transportation-related penalties incurred beyond the delivery point if, through no fault of your own, the Lessor fails to nominate gas volumes for transportation consistent with your communication regarding volumes to be delivered. The Lessee will incur no royalty-related penalties because of the Lessor's failure to nominate or take delivery of gas volumes as communicated by the Operator.

Communication with Lessor

No later than 10 calendar days before the first day of each month, you must notify the Lessor of the daily royalty gas volumes anticipated for the following month of production. You may make other arrangements for timely notification only if acceptable to the Lessor. The Lessor understands that any such estimate is not a warranty of actual deliveries to be made but is provided to facilitate planning.

You must also use reasonable efforts, consistent with industry practice, to inform the Lessor regarding significant changes in gas production levels and/or royalty shares anticipated for project properties. Such communication must occur as soon as practicable after you know of such anticipated changes in production levels.

Balancing Account and Imbalances (Lease Level Imbalances)

Requirements for handling imbalances are outlined below:

- Imbalances will be determined based on the difference between the royalty share of production and the actual volumes delivered. These imbalances will be maintained at a lease or agreement level.
- You, as the Operator, must provide the lease imbalance statement to MMS no later than 45 days after the end of the month of production, unless MMS approves an alternative timeframe for submission of the statement.
- Deliveries for the month following the month when the imbalance statement is due will be adjusted to provide for volumetric make-up of the monthly imbalances.
- Ordinary imbalances remaining upon cessation of the royalty in-kind term or cessation of production will be settled based on the first-of-month index or indices listed for each property in the enclosure. This index (indices), net of transportation costs from the lease for the final month of delivery, will be used to value the final imbalance. The applicable over- or under-taken lessees will report the imbalance volume and value on the Report of Royalty Sales and Remittance (Form MMS-2014) as either a positive or negative for the final month of delivery. Interest will accrue from 60 days after the final month of delivery.

Volume Reconciliations

The MMS analysts will monitor and reconcile production and volumes delivered with additional data, including pipeline data. MMS will attempt to reconcile volumes as soon as practicable. Reconciliations will involve communication between you and the Lessor. Upon project termination, you, as the Operator, must issue a final gas imbalance statement. You will settle in

accordance with the section "Balancing Account and Imbalances."

Reporting

You must continue to report natural gas production to MMS on the Oil and Gas Operations Report (OGOR) or Monthly Report of Operations (Form MMS-3160), as applicable, under current requirements and frequencies as specified in MMS regulations and the MMS *PAAS Reporter Handbook*. You will not be required to report natural gas information for the leases in this program on the Form MMS-2014 or other similar form for the term during which the Lessor takes royalty in kind, except under provisions described below in this section and under provisions described above under "Balancing Account and Imbalances." Reporting and payment requirements for production and royalties for any crude oil or condensate for the leases included in this natural gas royalty in-kind program will not change. Reporting will not change for leases not included in this program.

You must report any transportation allowances and any final imbalances on a separate Form MMS-2014 using a unique payor code. You will report separate entries for the allocated volume and values of transportation costs and final imbalances for each of the lease(s) identified in the enclosure. The payor code you will use for this monthly Form MMS-2014 is _____. You must modify your regular monthly payment to MMS as shown on your Form MMS-2014 for payor code _____ by the net revenue total from this separate "RIK" Form MMS-2014 and indicate on your submittal letter that you have done so.

Lessor's Designee

At times, the Lessor may act by or through a duly authorized designee. In such event, the Lessor will provide you with prior written notification of the identity of its designee(s) including the person to contact. Such notification will include specific duties that will be handled by the designee on behalf of the Lessor. The Lessor also will provide written notification to you when the designee is no longer authorized to act on Lessor's behalf for the purposes of this letter. You are authorized to communicate with the designee as specified in the notification. You will not be required to direct communications to both the Lessor and its designee. For purposes of this letter, if the Lessor notifies you that it will use a designee in the Pilot, references to Lessor shall refer to the Lessor's designee.

Lessor shall require the designee to agree in writing that the designee is required to comply with all provisions of this letter that are applicable to Lessor when it acts on behalf of Lessor.

Audit Rights

The Lessor may audit your records regarding all information relevant to volumes and qualities of royalty gas produced, stored, used on the lease, measured, delivered, and, if applicable, transported. The MMS reserves the right to examine the financial records of you and the Lessees

of the subject properties related to any transportation expenditures incurred prior to the delivery point.

Lessees, Operators, and revenue payors must maintain all records of transactions mentioned in the above paragraph for a period of 7 years from the day on which the relevant transaction occurred unless MMS notifies the record holder of an audit or investigation. When an audit or investigation is underway, records must be maintained until the record holder is released in writing from the obligation to maintain the records.

Lessor Point of Contact

Copies of all correspondence between Operator and Lessor should be kept on file by the Operator. Points of contact for the Lessor are as follows:

Lessor Program Coordinator:

Scheduling, Transportation, and Imbalance Issues:

Reporting Issues:

Electronic Funds Transfer:

Lessor acknowledges that you and the other Lessees have given proper notice hereunder whenever you communicate with Lessor using the e-mail address, fax number, or telephone number set forth above, provided any telephone communication regarding volumes is confirmed thereafter by fax or e-mail no later than 1 business day after telephone communication occurs. The Lessor further agrees to make arrangements to receive such communications regarding gas scheduling issues on a 7-day a week, 24-hour a day basis. Operators and Lessees should communicate with the above points of contact to answer any further questions.

The Paperwork Reduction Act requires us to inform you that the information being collected as a result of this letter is necessary to document details of royalty payments and sales of minerals from leases on Federal lands. We will use this information to maintain and audit lease accounts, and we estimate the burden for reporting electronically is 2 minutes per line. Comments on the accuracy of this burden or suggestions on reducing this burden should be directed to the Information Collection Clearance Officer, MS 4230, MMS, 1849 C Street, N.W., Washington, DC 20240 and to the Office of Management and Budget, Office of Information and Regulatory Affairs, Attention: Desk Officer for the U.S. Department of the Interior, Washington, DC 20503. Proprietary information submitted to the U.S. Department of the Interior is protected in accordance with standards established by the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act (5 U.S.C. 552(b)(4)), and the Departmental Regulations (43 CFR 2). Storage of such information and access to it are controlled by strict security measures. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB

number.

Sincerely,

Lucy Querques Denett
Associate Director for
Royalty Management

MMS OCS Gas RIK Project EXHIBIT D
Summary of Receipt and Delivery Volumes

Sales Month: _____

[illegible]